AJIA 11-176

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INITIAL ENVIRONMENTAL EXAMINATION
FACT SHEET

PROGRAM/ACTIVITY DATA:

Program/Activity Number:
Under Operational Plan: FY11
Objective: Food security and income generation
Program Area: 4.5. Agriculture
Program Element: 4.5.1 Agricultural Enabling Environment
Country/Region: Nepal
Program/Activity Title: Feed the Future
Funding Begins: FY 2011 Funding Ends: FY 2014 **LOP amount**: US $2.1 million
Prepared by: Navin Hada/Shanker Khagi **Date:** August 1, 2011
IEE: Original

ENVIRONMENTAL ACTION RECOMMENDED: (Place X where applicable)

Categorical Exclusion: __X__ Negative Determination (with conditions): __X__
Positive Determination: _____ Deferral: _____
Exemption: _____

A.BACKGROUND

Feed the Future (FTF) aims to improve inclusive growth in the agricultural sector and improve nutritional status, especially of women and children.

The overall objectives of FTF Nepal are the following:

- Lift approximately *one million* rural Nepalis (160,000 farmer households) out of poverty by supporting environmentally sustainable, integrated interventions targeting productivity of crop systems and increasing high value agriculture to improve food security, increase incomes, diversify diets, and increase resilience to climate change.
- Reduce prevalence of underweight children at the *national level* from *39% to 29% (including other donor and GON activities),* specifically by improving the availability, access, and utilization of more nutritious food.

FTF program is envisioned to create the opportunity for other agencies to launch activities in Nepal. Building a comprehensive FTF package that leverages USG funding and capabilities across agencies is a major priority. Therefore, FTF Nepal contributes funds to support expansion of the CSISA project to the geographic focus areas to disseminate improved agriculture technologies and management approaches.

CIMMYT has extensive experience in agriculture research and a technology transfer with capacity building. CIMMYT, as one of the Public International Organizations (PIO), has also been working with FTF Nepal in maize production practices through Hill Maize Research Program in 20 mid hill districts and jointly co-funded by Swiss Development Cooperation.

CSISA is a comprehensive[1] program managed by several centers of the CGIAR[2] and supported by the Bureau for Food Security, USAID Bangladesh, USAID India, and the Asia bureau and is also implemented in central Nepal with one hub through this mechanism. This activity will be expanded aligning with the FTF strategy in two mid- western districts through USAID Nepal buy-in to the Food Security and Crisis Mitigation II (FSCMII) public international organization (PIO) agreement with the CGIAR system.

B.BRIEF DESCRIPTION OF PROPOSED ACTIVITIES:

Cereal Systems Initiative for South Asia (CSISA) was launched in 2009 as a regional food security initiative to sustainably intensify cereal-based agricultural systems while improving rural livelihoods. The following paragraphs describe CSISA activities that are planned for Nepal.

1) Scale-appropriate mechanization and development of 'service provider' entrepreneurs

Farming in Nepal is experiencing acute labor shortages during critical phases of the crop calendar due to out-migration and the changing demographics of the countryside (i.e. the 'feminization' of agriculture). However, efforts at mechanization must match the small landholdings and limited asset bases of farmers in Nepal. CSISA will catalyze the creation of a new class of small and medium-sized entrepreneurs (SMEs) to provide affordable and scale-appropriate mechanized service provision for large numbers of farmers. Support through CSISA will enable small entrepreneurs who own machinery to meet demands for mechanized sowing and harvesting by using attachments to the Chinese 'two-wheel' tractor. Increasing machinery availability through market development approaches and technical training for service providers will result in the development of viable business models around scale-appropriate mechanization, thereby significantly alleviating labor bottlenecks and ensuring timely field operations. The resulting crop yield benefits along with labor and costs savings will be reflected in an increase in net household income of at least \$100 ha^{-1} per crop.

2) Site-specific and efficient nutrient management

The poor availability and high prices of fertilizer pose a binding constraint to improving agricultural productivity and rural livelihoods in Nepal, while severely jeopardizing national-scale food security. Current fertilizer use recommendations in Nepal date from the 1970s and are applied across very broad areas of the country with no guidelines in place to improve the efficiency of use (e.g. timing, placement, rate, formulation). This CSISA theme will disseminate a decision tool for site-specific nutrient management ('Nutrient Manager', NM) that optimizes fertilizer use efficiency while increase yields. This tool will enable front-line extensionists to quickly and inexpensively formulate fertilizer recommendations that are tailored to the conditions of individual farmers. The CSISA project proposes to develop NM tools

[1] CSISA includes hubs for community-based technology demonstrations, applied research, cereal breeding, policy research, and training

[2] Consultative Group on International Agricultural Research – consortium of 15 leading international ag research centers focused on commodities, agroecological zones, livestock, food policy, water, etc.

for rice, wheat, maize, and lentils in Nepal through a network of on-farm trials for each crop and different soil types. To increase the efficiency of use, CSISA will evaluate, refine, and disseminate a range of fertilizer application techniques such deep placement of urea 'super' granules which can markedly increase the yield and economic return from every increment of applied fertilizer.

3. Conservation agriculture (CA)

Rainfed cropping systems predominate in the mid-hills of Nepal, with production being contingent on the arrival, duration, and uniformity of the rains. Without assured access to irrigation water, agricultural productivity tends to be low even where annual rainfall is relatively abundant. In these areas, farmers tend not to invest in yield-enhancing technologies such as elite seeds because returns can be negative and create poverty traps especially among the asset-poor. Technology adoption, investment, and large gains in productivity are most likely to occur in Nepal when farmers have robust strategies for managing production risks. Conservation agriculture provides a comprehensive pathway for mitigating many production risks such as drought and terminal heat stress, while significantly improving crop productivity and reducing production costs. CA encompasses three management objectives: eliminating or significantly reducing soil tillage, retaining crop residues on the soil surface, and encouraging economically viable crop rotations. These practices build soil quality, prevent erosion, and can substantially increase the use efficiency of rainwater and irrigation. CSISA will work to adapt CA-based management to best fit the circumstances of Nepali farmers in the mid-hills and Terai. The yield-enhancing (e.g. 0.5 – 1 t ha-1 for wheat in S. Asia) and cost-reducing aspects of CA will enable farmers in Nepal to increase net returns by around $400 USD ha^{-1} per year while also reducing the risk of crop failure. Reduced risks posed by climate factors and high production costs will also encourage higher levels of investment in inputs and management intensity that, in turn, will lead to substantial and sustained increases in yields and more secure livelihoods.

4. Increasing access to high-quality, adapted seeds

An on-going overview of the agricultural input sector in Nepal by IFPRI and CSISA suggests that over 90% of the seed used by Nepali farmers is from self-saving or farmer-to-farmer exchange. The remaining ten percent is supplied by seed companies, principally those in the public sector. The lack of significant private sector involvement in the seed systems of Nepal has significantly reduced the availability of high-quality improved seed. Recently, there has been an emergence of several private seed companies along with an increased presence of firms from India and China.

CSISA will work to accelerate the regional commercialization of seed production and distribution through the following activities:

- Conducting multi-location testing of pipeline varieties to assess performance and farmer acceptance and communicating these results to seed companies
- Demonstrating the performance of elite crop varieties among farmers (to build awareness and market demand

- Providing technical backstopping for seed production best practices
- Developing business models and market intelligence on value chains for SMEs that are entering the seed business

5. Putting it all together: encouraging good agronomy through capacity building for front-line extensionists

Innovative technologies are more rapidly adopted by farmers when they have access to sound management advice. The formal extension system in Nepal (through the Department of Agriculture) suffers from poor linkages to the national research system, outdated information on modern best practices, and insufficient expertise on evaluating technologies in farmer fields. The so-called 'front line' extensionists (FLEs - those who give advice to farmers) are composed of both the formal and informal knowledge providers. In Nepal, FLEs require better training in all aspects of integrated crop management as well as outreach materials and tools that enable good decision making. Through training, decision tool development, and the provision of durable outreach materials, CSISA will build the capacity of a wide range of FLEs on the principals and application of good agronomic practices. FLEs mentored directly and indirectly through CSISA will gain skills and knowledge in matching elite crop varieties with the right growing environment, profitable strategies for weed and pest control, CA-based crop establishment and soil management practices, and site-specific nutrient management. To make progress on capacity development for FLEs, CSISA in Nepal will leverage a host of on-going programs (e.g. the 'Certified Crop Advisor' program recently launched with CSISA support in India through collaboration with the American Society of Agronomy) and new partnerships (e.g. with the USAID-supported 'Modernizing Extension and Advisory Services' program).

C.IEE OUTCOMES RECOMMENDED

These activities do not use any Genetically Modified Organisms (GMO), the use of which is also prohibited by the existing Seed Act of Nepal. Regulation for Seed Act is still waiting for approval from the parliament. This activity does not promote invasive species. A Categorical exclusion is recommended for Activity 5 and all activities related to conducting workshops, trainings and meetings. Whereas Activities 1-4 described above under section B, may have adverse effect on animal and plant health, they are recommended for negative determination with conditions.

D.REVISIONS

As with all AID-funded projects, and pursuant to 22 CFR 216.3 (a) (9), if new information becomes available which indicates that any of the proposed actions to be funded under this activity might be "major" and their effects "significant", the threshold decisions for those actions will be reviewed and revised by the Mission Environmental Officer and an environmental assessment prepared, as appropriate.

APPROVAL OF RECOMMENDED ENVIRONMENTAL ACTIONS:

David C. Atteberry, Mission Director, USAID/Nepal:

Approved:_____ Date:_____

Disapproved:_____ Date:_____

APPROVAL:

Robert MacLeod, Bureau Environmental Officer:

Approved:_____ Date:_____

Disapproved:_____ Date:_____

INITIAL ENVIRONMENTAL EXAMINATION

1. BACKGROUND AND ACTIVITY DESCRIPTION

1.1. Objective

The sustainability goals of CSISA are to improve productivity, to make nutrient and water use more efficient, and to strengthen and educate small producers and extension agents sufficiently to create a stronger business incentive for service providers and input dealers to remain engaged. CSISA also works to develop and strengthen these service providers, input dealers, and SME's such that they can respond to this business opportunity.

1.2. Illustrative Interventions

Illustrative interventions are listed below:

1. Scale-appropriate mechanization and development of 'service provider' entrepreneurs
2. Site-specific and efficient nutrient management
3. Conservation agriculture (CA)
4. Increasing access to high-quality, adapted seeds
5. Encouraging good agronomy through capacity building for front-line extensionists

2. COUNTRY AND ENVIRONMENTAL INFORMATION (BASELINE INFORMATION)

2.1. Locations Affected

At present, CSISA has one hub in Nepal supported by BFS centered in the Chitwan District that covers Terai, inner Terai, and middle hill agro-ecologies across five adjacent districts in the Western and Central development zones. This proposed expansion of CSISA hubs will be focused in the Surkhet and Nepalgunj regions in the Middle-western development zone. FtF Nepal activities are planned to be first concentrated in sixteen mid-hill and Terai districts in the Far Western and Middle Western development zones. Through partnerships, CSISA will work with various degrees of intensity in all sixteen FtF districts.

2.1. National Environmental Policies and Procedures (of the host country both for environmental assessment and pertaining to the sector)

The Government of Nepal has formulated five major environmental policies:

- To manage natural and physical resources efficiently and sustainably;
- To balance development efforts and environmental conservation to fulfill the basic needs of the people in a sustainable manner;
- To safeguard national heritage;
- To mitigate the adverse environmental impacts of development projects and human actions; and

- To integrate the environment and development through appropriate institutions, adequate legislation and economic incentives, and sufficient public resources.

In an attempt to legalize the environmental integration of development projects, Nepal has enforced the Environmental Impact Assessment Guidelines 1993; Environmental Protection Act 1997; Environmental Protection Rules 1997 (revised in 1998 and 1999). The Guidelines, Act, Rules, and other regulations provide basic legal framework for all environmental assessment in Nepal. According to the Environmental Protection Act 1997, environmental assessment (IEE or EIA) is mandatory and to be done by the proponent for the implementation of any development activity. Environmental Protection Rules 1997 and EIA guidelines have grouped projects into three categories from an environmental consideration point of view:

Projects that need only an IEE study
- Projects that need full-scale EIA studies
- Projects that are being proposed in sensitive areas

Screening is the first step in the environmental assessment process and is used to determine whether an IEE or an EIA or no formal environmental assessment is needed for the proposed program, project or activity. It is the preliminary review of the project to determine potential environmental effects. Screening is the responsibility of the project proponent.

An IEE is a preliminary level environmental assessment for a proposed project, similar in many ways to a technical and economic pre-feasibility study. IEEs utilize readily available information; involve less detailed investigations and uses rapid methods for information collection and analysis. An IEE is a sufficient environmental assessment for most of the smaller or less sensitive projects.

2.2. Environmental Issues in Nepal

The hills of Nepal are prone to various kinds of environmental threats including land and soil degradation, water scarcity, biodiversity losses and temperature fluctuations. Therefore any developmental intervention targeting the hills of the country needs careful planning and implementation. This activity has taken into account these major concerns of the hills and has developed a plan to identify research and dissemination priority areas to mitigate those environmental constraints. The following links to reports from the World Bank and Asian Development Bank provides access to reports that describe in detail the environmental issues in Nepal:

http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/04/09/000020439_20080409135430/Rendered/PDF/389840white0cover0Nepal0CEA1webversion.pdf;
http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/03/03/000333037_20080303051752/Rendered/PDF/389840SR0P0786101Official0use0only1.pdf;
http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2005/10/12/000012009_20051012153246/Rendered/PDF/337930rev0finaldtis1nepal122oct03.pdf;

http://www.adb.org/Documents/Reports/CEA/nep-sept-2004.pdf;
http://www.adb.org/Documents/Environment/NEP/Memo70-01.pdf.

3. EVALUATION OF ENVIRONMENTAL IMPACT POTENTIAL

The following paragraphs discuss and evaluate the potential environmental impacts of activities under each component:

Scale-appropriate mechanization and development of 'service provider' entrepreneur
This activity focuses on mechanization for smallholder to increase farm efficiency and alleviate labor constraints to productivity and profitability. This will include providing technical and business development support for the emergence of small entrepreneurs who own machinery and provide services to other farmers.

Environmental impact potential:

- The use of mechanized equipment can negatively affect soil structure.
- The use of machinery can increase the fossil energy use in agriculture.

Evaluation of environmental impact potential and conditions for mitigation:

Providing support for the emergence of small entrepreneurs who own machinery and provide services to other farmers will result in sustained increases in productivity and livelihoods.

Much of the machinery promoted through CSISA will be comparatively light 'two-wheel' tractor-based implements that are unlikely to cause significant soil compaction. Further, CSISA will promote conservation agricultural-based management for use with all of the machinery platforms it promotes. CA management increases soil physical quality. Also, CSISA will train service providers in the appropriate use of machinery, including how to judge if a field is too wet to permit machine access without damaging the soil. Therefore, actions in this set of interventions will not have an effect on the natural or physical environment and hence would qualify for a Negative Determination with conditions.

Fossil energy use typically increases with mechanization. Through CA-based management (and minimization of tillage), judicious use of machinery will be encouraged by CSISA and the resulting increases in fossil energy consumption will be comparatively low. Therefore, actions in this set of interventions will not have a substantial effect on the natural or physical environment and hence would qualify for a Negative Determination with conditions.

Site-specific and efficient nutrient management
The goal of CSISA is to develop tools for site-specific nutrient management that will enable farmers to apply the right amount of fertilizer at the right time. This approach enables farmers to optimize fertilizer use efficiency and economic yields.

Environmental impact potential:

- Fertilizer use may, in cases, increase.
- Crop productivity per unit area may be intensified.

Evaluation of environmental impact potential and conditions for mitigation:

Increasing the efficiency of fertilizer use by developing decision support tools that enable front-line extensionists to quickly and inexpensively formulate site-specific fertilizer recommendations tailored to the conditions of individual farmers will improve productivity and address food security concerns. Any increase in fertilizer use will be balanced by increases in recovery efficiency, thereby minimizing the possibility of creating environmental externalities through nutrient export from the farming system. This activity therefore qualifies for a Negative Determination with conditions.

As soil fertility and crop productivity increases, farmers will be less likely to cultivate marginal lands or to convert forested land to agriculture. This activity therefore qualifies for a Negative Determination with conditions.

Conservation Agriculture (CA)

Conservation agriculture can mitigate many production risks common in Nepal such as drought and terminal heat stress, while significantly improving crop productivity and reducing production costs. CA's management objectives of eliminating or significantly reducing soil tillage, retaining crop residues on the soil surface, and encouraging economically viable crop rotations improve soil quality, prevent erosion, and can substantially increase water and fertilizer use efficiency.

Environmental impact potential:

- CA may increase weed populations.

Evaluation of environmental impact potential and conditions for mitigation:

Tillage is often the farmer's primary form of weed control in Nepal. With tillage reduced or eliminated in CA, different strategies and tactics for weed control are required. CSISA will promote integrated weed management approaches whenever possible, with special emphasis on cultural practices such as crop rotation and weed suppression through mulching. Herbicides are increasingly available in Nepal, and in some cases may provide a valuable component of integrated weed management strategies for some farmers. When herbicides may profitably fit into an IWM framework, CSISA will educate farmers and agro-dealers on safe handling and application procedures to ensure human health and environmental quality.

The primary herbicides CSISA will use are the following: Glyphosate, 2, 4-D, Bispyribac, and Pendimethalin. All but Bispyribac are listed in the recently approved PERSUAP for Nepal Economic Agriculture and Trade (NEAT) activity. CSISA shall refer to the NEAT PERSUAP and follow all PERSUAP recommendations for these three pesticides when they are used.

Information on Bispyribac is available at:

http://compendium.bayercropscience.com/BAYER/CropScience/CropCompendium/BCSCropComp.nsf/id/bispyribac_sodium.htm?open&ccm=300020
http://www.federalregister.gov/articles/2011/02/02/2011-2266/bispyribac-sodium-pesticide-tolerances#p-57

The EPA summary statement in the federal register for Bispyribac is as follows:
"Determination of Safety" based on these risk assessments, EPA concludes that there is a reasonable certainty that no harm will result to the general population, or to infants and children from aggregate exposure to bispyribac-sodium residues."

CSISA technical staff will manage demonstrations and adaptive trials that include use of Bispyribac. This IEE provides an exception to Pesticide Procedure, per 22 CFR 216.3(b)(iii), for the use of Bispyribac as it meets following the conditions: 1) the surface area of Bispyribac use is less than 4 ha; 2) use of Bispyribac will be supervised by trained technical staff of implementing partner; 3) it will be applied by trained professionals, and 4) Bispyribac is applied during the vegetative grow and residuals on grain is likely to be nil.

Additionally conditions as stipulated by 22 CFR 216.3(b)(2)(iii) will also be met.

With prudence and training firmly in place, any increase in herbicide use associated with CA will not have deleterious effects on the natural or physical environment, and hence this intervention would qualify for a Negative Determination with conditions.

Increasing access to high-quality, adapted seeds
CSISA will work to accelerate the regional commercialization of seed production and distribution by:

- Conducting multi-location testing of pipeline varieties to assess performance and farmer acceptance and communicating these results to seed companies
- Demonstrating the performance of elite crop varieties among farmers
- Providing technical backstopping for seed production best practices
- Developing business models and market intelligence on value chains for SMEs that are entering the seed business

Possible environmental impact:

- Changes in local cultivar choice, and potential losses of agricultural biodiversity.

Evaluation of environmental impact potential and conditions for mitigation:
The lack of sufficient private sector involvement in the seed systems of Nepal has significantly reduced the availability of high-quality improved seed, with serious repercussions for crop productivity, food security, and commodity prices. Reliable, affordable, and timely access to improved seed will contribute substantially towards addressing these concerns, while increased

unit productivity means that Nepal's forest resources and marginal areas are less likely to be encroached upon. Traditional varieties are the backbone of successful breeding programs, and as a leader in the genetic conservation of crops, CIMMYT will continue to work to ensure seed conservation of local, unimproved varieties through *in situ* and *ex situ* strategies, particularly in consultation with NARCs newly formed gene bank. With these measures in place, seed system improvement will not degrade agricultural biodiversity and the actions of CSISA will not have an effect on the natural or physical environment and hence qualify for a Negative Determination with conditions.

Putting it all together: encouraging good agronomy through capacity building for front-line extensionists

Innovative technologies are more rapidly adopted by farmers when they have access to sound management advice. Through training, decision tool development, and the provision durable outreach materials, CSISA will build the capacity of a wide range of FLEs on the principals and application of good agronomic practices. To make progress on capacity development for FLEs, CSISA in Nepal will leverage a host of on-going programs (e.g. the 'Certified Crop Advisor' program recently launched with CSISA support in India through collaboration with the American Society of Agronomy) and new partnerships (e.g. with the USAID-supported 'Modernizing Extension and Advisory Services' program).

Possible environmental impact:

- None

Evaluation of environmental impact potential and conditions for mitigation:

The training and capacity building actions in this intervention are unlikely to affect the natural or physical environment. This intervention therefore qualifies for a Categorical Exclusion.

4. RECOMMENDED DETERMINATIONS AND MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

4.1. Recommended IEE Determinations

The table below provides the recommended determinations for interventions under each objective:

Activities	Intervention	Recommended Determination
Scale-appropriate mechanization and development of 'service provider' entrepreneur	Training, prepare training materials, publish journal, leaflets, field visit	CE
	Support identification, modification of small farm tools and machineries	NDC
Site-specific and efficient nutrient	Training, prepare training materials, publish journal, leaflets, field visit	CE
	Support farmers to procure fertilizer	NDC

management		
Conservation agriculture (CA)	Training, prepare training materials, publish journal, leaflets, field visit	NDC
Increasing access to high-quality, adapted seeds	Training, prepare training materials, publish journal, leaflets, field visit	NDC
Putting it all together: encouraging good agronomy through capacity building for front-line extensionists	Training, prepare training materials, publish journal, leaflets, field visit	CE

4.2 Mitigation Monitoring, and Evaluation

Mitigation:

The mitigation measures for potential impacts identified for each of the interventions were described in section 3.0. The implementing partner will ensure that these mitigation measures will be applied.

In addition, the following mitigation measures will be followed to ensure that environmental concerns are taken into account during both the design and implementation of the project activities.

The implementing partner shall follow environmental best practices for small scale activities, such as:
Environmental Guidelines for Small-Scale Activities in Africa, 2nd edition as provided at: http://www.encapafrica.org/egssaa.htm; ***IFC Environmental, Health and Safety Guidelines*** as provided at: http://www.ifc.org/ifcext/sustainability.nsf/Content/EnvironmentalGuidelines, and the ***World Bank 1999 Pollution Prevention and Abatement Handbook*** as provided at: http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000094946_99040905052283 for designing and implementing activities under the following components:

The policy oriented analysis, dialogue and partnerships on issues related to both agricultural and non-agricultural products, such as Sanitary and Phytosanitary Standards (SPS) and non-tariff barriers for agricultural products should ensure consistency with WTO SPS as outlined at: http://www.wto.org/english/tratop_e/sps_e/sps_e.htm (WTO SPS Measures,) http://www.codexalimentarius.net/web/index_en.jsp (Codex Alimentarius,) and https://www.ippc.int/IPP/En/default.jsp (FAO International Plant Protection Convention)

Efforts will focus on making staple production more labor and resource-use efficient by reallocating capital, nature and human assets towards on and off farm income generating activities, including increasing production of high value agricultural products. Care will be taken

in the non-agricultural areas to avoid harmful environmental impacts. The implementer and USAID environmental officer will ensure that each activity uses environmentally sound principles and also includes a manure management plan to help ensure that an operation has adequate manure storage to allow the manure to be properly managed and enough cropland to utilize the nutrients in the manure.

Monitoring and Evaluation

A performance monitoring plan will be prepared for this program in order to comply with the determination of this IEE. To ensure that interventions are designed in a sound and sustainable manner, the Mission Environmental Officer (MEO) and the Contracting Officer's Technical Representative (COTR) will work with the implementing partner to achieve compliance with these procedures. The implementing partner will have well defined responsibilities for implementing the mitigation measures, monitoring activities, and providing on a periodic basis activity performance reports. The COTR will have as one of his/her main tasks the monitoring and reporting on the environmental implications of the activity. This includes soliciting and reviewing grantee reports on environmental mitigation and monitoring actions, and undertaking periodic examinations of the environmental impacts of activities and associated mitigation and monitoring activities.

The environmental status of the project will be prepared periodically during the implementation by means of routine site visits by USAID/Nepal staff. Any required correction in implementation will be made on the basis of these findings and in accordance with the environmental guidelines.

The GDO team will actively plan and monitor the program for compliance with approved IEE recommendations and ensure that the implementing partner has adequate time, staff, authority, and money to implement these responsibilities. Environmental impacts will also be reviewed as a specific part of evaluations.

Limitations of the IEE:

This assistance doesn't cover activities involving:

i. Assistance, procurement or use of genetically modified organisms (GMOs) will require preparation of biosafety assessment (review) in accordance with ADS 201.3.12.2(b) in an amendment to the IEE approved by Asia BEO.
ii. DCA or GDA programs.
iii. Procurement or use of Asbestos Containing Materials (ACM) (i.e. piping, roofing, etc), Polychlorinated Biphenyl's (PCB) or other toxic/hazardous materials prohibited by US EPA as provided at: http://www.epa.gov/asbestos and/or under international environmental agreements and conventions, e.g. Stockholm Convention on Persistent Organic Pollutants as provided at: http://chm.pops.int

5. REVISIONS

As with all AID-funded projects, and pursuant to 22 CFR 216.3 (a) (9), if new information becomes available which indicates that any of the proposed actions to be funded under this activity might be "major" and their effects "significant", the threshold decisions for those actions will be reviewed and revised by the MEO and an environmental assessment prepared, as appropriate.

Clearances:

Rave Aulakh, Acting Director, General Development Office	_____	Date: _____
Shanker Khagi, Mission Environmental Officer	_____	Date: _____
Andrei Barannik, Regional Environmental Adviser for Asia & OAPA	**Concurred by email**	Date: **09/07/2011**
Anne Peniston, Acting Deputy Mission Director	_____	Date: _____

APPROVAL OF RECOMMENDED ENVIRONMENTAL ACTIONS:

David C. Atteberry, Mission Director, USAID/Nepal:

Approved: DCA Date: 12/8/11

Disapproved: _____ Date: _____

APPROVAL:

Robert MacLeod, Bureau Environmental Officer:

Approved: Robert MacLeod Date: 9/19/11

Disapproved: _____ Date: _____

5. REVISIONS

As with all AID-funded projects, and pursuant to 22 CFR 216.3 (a) (9), if new information becomes available which indicates that any of the proposed actions to be funded under this activity might be "major" and their effects "significant", the threshold decisions for those actions will be reviewed and revised by the MEO and an environmental assessment prepared, as appropriate.

Clearances:

Rave Aulakh, Acting Director, General Development Office — Date: 9/7/11

Shanker Khagi, Mission Environmental Officer — Date: 9/7/11

Andrei Barannik, Regional Environmental Adviser for Asia & OAPA — **Concurred by email** — Date: **09/07/2011**

Anne Peniston, Acting Deputy Mission Director — Date: 9/8/11 with typo edits.